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Identity Thieves Target IRS Data

Is [your IRS data at risk](#)? There's lots of talk about identity theft these days, including Congressional testimony noted below. Some of the problems relate to how the IRS reacts if your data is compromised and how seamlessly they move to protect you.



Image via idnewsalert.org

The IRS watchdog with the unfortunate acronym “[TIGTA](#)”—for Treasury Inspector General for Tax Administration—released a rather bleak report: [Security Over Databases Could Be Enhanced to Ensure Taxpayer Data Are Protected](#). Despite this glass half-full title, it reveals some woes in the security department.

The report suggested that:

1. 100% of IRS databases TIGTA tested are vulnerable to hackers.
2. Some of the 2,200 databases the IRS uses to manage and process taxpayer data are not configured securely, are running out-of-date software, and no longer receive security patches.

3. The IRS has spent more than \$1.1 million in software licenses and support costs for a database vulnerability scanning and compliance assessment tool.
4. Despite its expenditures, the IRS has not fully implemented its plans to complete vulnerability scans of its databases.

Recent Congressional testimony suggests the IRS and Department of Justice take this seriously, as reflected in a statement November 4, 2011 by Ronald A. Cimino, an official in the Tax Division of the Justice Department. He testified before the House Oversight and Government Reform Committee Subcommittee on Government Organization, Efficiency and Financial Management. (I know, that's quite a mouthful.) The title of Mr. Cimino's statement was "[Tax Theft Perpetuated Through Identity Theft](#)."

What I found most interesting was the punishment meted out to these folks:

- In January 2011, [Lester Morrison](#), a Bronx tax return preparer and leader of a tax fraud scheme that resulted in the issuance of more than \$28 million in fraudulent refunds, was sentenced to 72 months in prison. Morrison and his four co-defendants, who also pled guilty, were accused of filing more than 7,500 returns over a ten-year period using, among other deceptive practices, the stolen identities of deceased children.
- In March 2011, [Ora Mae Adamson](#) of Montgomery County, Alabama, was sentenced to 46 months in prison for her role in a conspiracy to file 158 false returns using stolen information. One of her coconspirators, Jeffery Ceaser, was sentenced to 36 months in prison.
- In September 2011, [Dalawni Hollomon](#) of Snellville, Georgia was sentenced to 72 months in prison for filing over 700 federal and state tax returns containing stolen information.

With our increasingly digitized society, there are going to be breaches and taxes are inevitably going to be affected. But the IRS is doing everything it can to minimize it. As to the TIGTA's security recommendations, the IRS agreed with them and is developing coping strategies. That includes developing a strategic plan for the obsolescence of technology.

For more, see:

[Is Your IRS Data At Risk?](#)

[No, Your IRS Data Isn't Safe...](#)

[What If Your CPA Altered Your Tax Return Without Telling You?](#)

[Beware The Too Good To Be True Tax Refund](#)

[IRS: Identity Theft and Your Tax Records](#)

[How to Spot and Prevent Tax Identity Theft](#)

[Govt. shares blame as ID theft worsens](#)

[Ten Things the IRS Wants You to Know About Identity Theft](#)

[Identity Thieves 'Make It Rain' Cash With Fraudulent Tax Refunds](#)

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